

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

| | |
|--------|---------------------------|
| | PAGE NUMBER |
| | CODE & DESCRIPTION |
| AGENCY | 084 ENVIRONMENTAL QUALITY |
| | |
| | |

| EXPENDITURE ACCOUNT | ADJUSTMENTS | |
|--|-------------|-----------|
| | 2005-2006 | 2006-2007 |
| Permanent F.T.E. Positions | | |
| 511100 Permanent Salaries - Wages | | |
| 511200 Temporary Salaries - Wages | | |
| 511600 Per Diem Payments | | |
| 511900 Supplemental (One-time payments) | | |
| All Other Salaries | | |
| Sub-Total Salaries | 0 | 0 |
| 515100 Retirement Plans Expense | | |
| 515200 OASDI Expense | | |
| 515400 Life and Accident Insurance Expense | | |
| 515500 Health Insurance Expense | | |
| All Other Personal Services | | |
| Sub-Total Benefits | 0 | 0 |
| 510000 Personal Services | 0 | 0 |
| 520000 Operating Expenses | | |
| 554900 Other Contractual Services | 394,484 | 1,726,000 |
| | | |
| | | |
| | | |
| 570000 Travel Expenses | | |
| 580000 Capital Outlay | | |
| 590000 Government Aid | | |
| Total Expense | 394,484 | 1,726,000 |
| Means of Financing | | |
| General Fund | | |
| Cash Fund | 394,484 | 1,726,000 |
| Federal Fund | | |
| Revolving Fund | | |
| | | |
| | | |
| | | |
| Total Funding | 394,484 | 1,726,000 |

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

| | | Page Number |
|---------|------|-----------------------|
| | CODE | DESCRIPTION |
| AGENCY | 084 | Environmental Quality |
| PROGRAM | 513 | Environmental Quality |
| REQUEST | 1 | Superfund Cost Share |

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

. A. Description of Request

The department is requesting Cash Fund spending authority to allow expenditures of funds to meet the nonfederal cost share requirements for Superfund Remediation sites in Nebraska. For FY06 the department is requesting spending authority of \$394,484 and in FY07 \$1,726,000. Cash Fund spending authority is being requested because the department has requested a grant from the Environmental Trust to fund our cost share requirements. The department has previously requested and received a grant from the Trust to meet cost share requirements. Some funds are available from this grant to assist in meeting cost share requirements. The funds identified above are in addition to the existing funds.

B. Rationale for Request

Superfund remediations undertaken by EPA require a nonfederal cost share. There are several active Superfund remediation sites in Nebraska. Sites are located in Grand Island, Hastings, Columbus, Ogallala and Omaha. In recent years the department has funded the non-federal financial responsibilities primarily through a fund transfer and a grant from the Environmental Trust. Available funds are inadequate to meet funding requirements in FY06 and no funds are available to meet funding requirements in FY07. The department, late this summer, applied for a grant from the Environmental Trust to meet nonfederal cost share requirements. When the Environmental Trust was created the statute made remediation of soils and ground-water a priority activity. 81-15,176(2)(b) states "No more than sixty percent of grant allocations in any year shall assist remediation of soils or ground water, and no grants for this purpose shall occur unless all other available sources of funding are, in the opinion of the board, being substantially utilized;"

This request is for Cash Fund spending authority to allow the department to disburse the Environmental Trust grant the department anticipates receiving.

C. Impact of the Request

The State of Nebraska has a contractual obligation to meet nonfederal cost share requirements. The estimated financial requirements are identified above. Following is a summary from the department's Environmental Trust application of the Superfund sites in remediation with anticipated cost share requirements for FY06 and FY07. Without funding to meet cost share requirements, remediation activities at these sites would likely be curtailed, at least temporarily.

| | | |
|--|------|----------|
| <u>Cleburn Street Site, Grand Island</u> | FY06 | \$20,000 |
| | FY07 | \$20,000 |

Nebraska Department of Health sampling detected contamination above drinking water standards in the Cleburn Street well, one of several hundred municipal wells in Grand Island, Nebraska (population 38,500). The contaminated ground water posed a threat to local residences that rely on the

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municipal water system or that utilize private wells. Subsequent studies of the area revealed extensive contamination in the soil and ground water in the vicinity of the impacted well. Three former dry cleaner businesses and a former solvents supply company were identified as being the source of the contamination. The State and EPA are funding cleanup activities for the dry cleaner sites.

Construction of the cleanup and monitoring systems has been completed and the State's 10% capital construction costs have already been incurred. The State is obligated to pay for 100% of the operation and maintenance (O&M) costs for the SVE system and 10% of the long-term response action (LTRA) costs for the ground water pump and treat system at the one dry cleaner site. The state is also obligated to pay for 100% of the O&M costs for the long-term ground water monitoring activities at the other two dry cleaner sites. For fiscal years 2006 and 2007, this application addresses the 100% O&M costs and the 10% LTRA costs.

| | | |
|---|------|-----------|
| <u>Hastings Ground Water Contamination Site – Second Street Subsite</u> | FY06 | \$102,000 |
| | FY07 | \$131,000 |

Nebraska Department of Health sampling detected contamination above drinking water standards in several municipal wells in Hastings, Nebraska (population 23,580). The contaminated ground water posed a threat to local residences that rely on the municipal water supply or that utilize private wells. Subsequent studies in the Hastings area detected extensive contamination in the soil and ground water at several locations within the City. A former manufactured gas plant at Second Street at the eastern edge of downtown was identified as being one of the sources of the contamination. The State and EPA are funding cleanup activities at the former manufactured gas plant.

Construction of the on-site SVE and ground water pump and treat system and the immediately downgradient ground water pump and IWA treatment system has been completed. The State was not required to pay 10% capital construction costs on these cleanup systems as the systems were constructed prior to the State Superfund Contract for this site. The State is obligated to pay for 10% of the capital construction costs for the ground water pump and treat system supplemented with in-situ biodegradation further downgradient of the site, and 10% of the long-term response action (LTRA) costs for the operation of all of the cleanup systems. For fiscal years 2006 and 2007, this application addresses the 10% capital construction costs and the 10% LTRA costs.

| | | |
|--|------|-----------|
| <u>10th Street Ground Water Contamination Site, Columbus</u> | FY06 | \$140,000 |
| | FY07 | \$350,000 |

Nebraska Department of Health sampling detected contamination above drinking water standards in several municipal wells in Columbus, Nebraska (population 19,300). The contaminated ground water posed a threat to local residences that rely on the municipal water supply or that utilize private wells. Subsequent studies of the area revealed extensive contamination in the soil and ground water in the vicinity of the impacted wells. The sources of contamination surrounding the municipal wells were determined to be associated with several dry cleaner sites. The State and EPA are funding cleanup activities for the dry cleaner sites.

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Construction of the SVE and air sparging system has been completed. The State was not required to pay 10% capital construction costs on these cleanup systems as the systems were constructed prior to the State Superfund Contract for this site. The State is obligated to pay for 10% of the capital construction costs for the ground water pump and treat system and in-situ chemical oxidation, and 10% of the LTRA costs for the operation of all of the cleanup systems. For fiscal years 2006 and 2007, this application addresses the remaining 10% capital construction costs and the 10% LTRA costs.

Ogallala Ground Water Contamination Site

| | |
|------|----------|
| FY06 | 0 |
| FY07 | \$25,000 |

Nebraska Department of Health sampling detected contamination above drinking water standards in several municipal wells in Ogallala, Nebraska (population 5,100). The contaminated ground water posed a threat to local residences that rely on the municipal water supply or that utilize private wells. Subsequent studies of the area revealed extensive contamination in the soil and ground water in the vicinity of the impacted wells. The sources of contamination surrounding the municipal wells were determined to be associated with two industrial properties that manufacture electronic components and one dry cleaner site. The State and EPA are funding cleanup activities for the dry cleaner site. The cleanup systems consist of a soil vapor extraction (SVE) system and in-situ chemical oxidation for the soil and ground water contamination associated with the site. A description of how a SVE system and in-situ chemical oxidation works was provided above.

Construction of the SVE system and the in-situ chemical oxidation system has been completed. The State was not required to pay 10% capital construction costs on these cleanup systems as the systems were constructed prior to a State Superfund Contract for this site. The State is obligated to pay for 10% of the long-term response action (LTRA) costs for the operation of all of the cleanup systems. For fiscal years 2006 and 2007, this application addresses the 10% LTRA costs.

Omaha Lead Site

| | |
|------|-------------|
| FY06 | \$1,200,000 |
| FY07 | \$1,200,000 |

The Omaha Lead Site involves lead contaminated surface soils primarily resulting from air emissions from a lead smelting facility in Omaha, Nebraska. The lead contaminated soils have contributed to elevated blood lead levels in children in the area. The total area of lead contaminated soils is estimated at 8,840 acres and includes residential properties, childcare facilities, schools, and other residential-type properties. As a result of the elevated blood lead levels, the Omaha City Council solicited assistance from EPA in addressing problems with lead contamination in the community. The State and EPA are funding cleanup activities for the lead contaminated soils.

Cleanup activities consist of: 1) Excavation and replacement of lead-contaminated soils, 2) Disposal of excavated soils, 3) Stabilization of loose and flaking exterior lead-based paint where necessary to protect the soil cleanup, 4) High efficiency interior cleaning of lead-contaminated dust inside residential homes, 5) Participation in a comprehensive program addressing all potential lead sources, and 6) Health education to prevent lead poisoning. Excavation is digging up polluted soil so it can be cleaned or disposed of properly in a landfill. The soil is excavated using construction

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equipment, like backhoes or bulldozers. The State is obligated to pay for 10% of the capital construction costs for the cleanup activities. For fiscal years 2006 and 2007, this application addresses the 10% capital construction costs.

As noted above, the department has funding available to meet a significant portion of the FY06 cost share requirements, thus reducing the request for FY06 to \$394,484.

D. Statutory Change if Required

No statutory change is required to implement this deficit request.

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Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

PAGE NUMBER

CODE & DESCRIPTION

AGENCY

084 ENVIRONMENTAL QUALITY

PROGRAM

513 ENVIRONMENTAL QUALITY

REQUEST

1

| EXPENDITURE ACCOUNT | APPROPRIATIONS | | ADJUSTMENTS | |
|--|----------------|-----------|-------------|-----------|
| | 2005-2006 | 2006-2007 | 2005-2006 | 2006-2007 |
| Permanent F.T.E. Positions | | | | |
| 511100 Permanent Salaries - Wages | | | | |
| 511200 Temporary Salaries - Wages | | | | |
| 511600 Per Diem Payments | | | | |
| 511900 Supplemental (One-time payments) | | | | |
| All Other Salaries | | | | |
| Sub-Total Salaries | 0 | 0 | 0 | 0 |
| 515100 Retirement Plans Expense | | | | |
| 515200 OASDI Expense | | | | |
| 515400 Life and Accident Insurance Expense | | | | |
| 515500 Health Insurance Expense | | | | |
| All Other Personal Services | | | | |
| Sub-Total Benefits | 0 | 0 | 0 | 0 |
| 510000 Personal Services | 0 | 0 | 0 | 0 |
| 520000 Operating Expenses | | | | |
| 554900 Other Contractual Services | 558,633 | 418,634 | 394,484 | 1,726,000 |
| | | | | |
| | | | | |
| 570000 Travel Expenses | | | | |
| 580000 Capital Outlay | | | | |
| 590000 Government Aid | | | | |
| Total Expense | 558,633 | 418,634 | 394,484 | 1,726,000 |
| Means of Financing | | | | |
| General Fund | | | | |
| Cash Fund | 558,633 | 418,634 | 394,484 | 1,726,000 |
| Federal Fund | | | | |
| Revolving Fund | | | | |
| | | | | |
| | | | | |
| Total Funding | 558,633 | 418,634 | 394,484 | 1,726,000 |

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.